

AMENDMENT TO H.R. 1776, AS REPORTED
OFFERED BY MR. SOUDER OF INDIANA

Page 121, after line 11, insert the following new section:

1 **SEC. 609. GRANT ELIGIBILITY OF COMMUNITY ORGANIZA-**
2 **TIONS.**

3 (a) ELIGIBILITY.—For any program administered by
4 the Secretary of Housing and Urban Development under
5 which financial assistance is provided by the Secretary to
6 nongovernmental organizations or to a State or local gov-
7 ernment for provision to nongovernmental organizations,
8 religious organizations shall be eligible, on the same basis
9 as other nongovernmental organizations, to receive the fi-
10 nancial assistance under the program from the Secretary
11 or such State and local governments, as the case may be,
12 as long as the program is implemented in a manner con-
13 sistent with the Establishment Clause of the first amend-
14 ment to the Constitution. Neither the Secretary nor a
15 State or local government to which such financial assist-
16 ance is provided shall discriminate against an organization
17 that receives financial assistance, or applies to receive as-
18 sistance, under a program administered by the Secretary,
19 on the basis that the organization has a religious char-
20 acter.

1 (b) RELIGIOUS CHARACTER AND INDEPENDENCE.—

2 (1) IN GENERAL.—A religious organization that
3 receives assistance under a program described in
4 subsection (a) shall retain its religious character and
5 control over the definition, development, practice,
6 and expression of its religious beliefs.

7 (2) AADDITIONAL SAFEGUARDS.—Neither the
8 Federal Government nor a State or local government
9 shall require a religious organization—

10 (A) to alter its form of internal govern-
11 ance; or

12 (B) to remove religious art, icons, scrip-
13 ture, or other symbols;

14 in order to be eligible to provide assistance under a
15 program described in subsection (a).

16 (3) EMPLOYMENT PRACTICES.—A religious or-
17 ganization's exemption provided under section 702
18 of the Civil Rights Act of 1964 (42 U.S.C. 2000e-
19 1) regarding employment practices shall not be af-
20 fected by its participation in, or receipt of funds
21 from, programs described in subsection (a).

22 (c) LIMITATIONS ON USE OF FUNDS FOR CERTAIN
23 PURPOSES.—No funds provided directly to a religious or-
24 ganization to provide assistance under any program de-

1 scribed in subsection (a) shall be expended for sectarian
2 worship, instruction, or proselytization.

3 (d) FISCAL ACCOUNTABILITY.—

4 (1) IN GENERAL.—Except as provided in para-
5 graph (2), any religious organization providing as-
6 sistance under any program described in subsection
7 (a) shall be subject to the same regulations as other
8 nongovernmental organizations to account in accord
9 with generally accepted accounting principles for the
10 use of such funds provided under such program.

11 (2) LIMITED AUDIT.—Such organization shall
12 segregate government funds provided under such
13 program into a separate account. Only the govern-
14 ment funds shall be subject to audit by the govern-
15 ment.

16 (e) TREATMENT OF ELIGIBLE ENTITIES AND OTHER
17 INTERMEDIATE ORGANIZATIONS.—If an eligible entity or
18 other organization (referred to in this subsection as an
19 “intermediate organization”), acting under a contract, or
20 grant or other agreement, with the Federal Government
21 or a State or local government, is given the authority
22 under the contract or agreement to select nongovern-
23 mental organizations to provide assistance under the pro-
24 grams described in subsection (a), the intermediate orga-

1 nization shall have the same duties under this section as
2 the government.

3 (f) DEFINITIONS.—For purposes of this section:

4 (1) FINANCIAL ASSISTANCE.—The term “finan-
5 cial assistance” means any grant, loan, subsidy,
6 guarantee, or other financial assistance, except that
7 such term does not include any mortgage insurance
8 provided under a program administered by the Sec-
9 retary.

10 (2) SECRETARY.—The term “Secretary” means
11 the Secretary of Housing and Urban Development.